



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

GLENN STEVEN ROSOFSKY,

Defendant.

Case No. 10cr0978-BEN

**SUPERSEDING
INFORMATION**

Title 18, U.S.C., Sec. 371 - Conspiracy to
Commit Wire Fraud and Money Laundering;
Title 18, U.S.C., 1957 - Money Laundering;
Title 18, U.S.C., Sec. 2 - Aiding and Abetting;
Title 26, U.S.C., Sec. 7206(1) - False Tax
Return.

The United States Attorney charges, at all times relevant to this Superseding Information:

Count 1

1. Beginning on a date unknown, but no later than March 2009, and continuing until at least July 30, 2009, within the Southern District of California and elsewhere, Defendant GLENN STEVEN ROSOFSKY (hereinafter "defendant ROSOFSKY") knowingly and willfully conspired and agreed with others known and unknown to the Grand Jury to commit offenses against the United States, that is:

a. to knowingly devise and intend to devise, with the intent to defraud, a material scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire and radio communication in interstate commerce any signs, signals, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343; and

b. to knowingly engage and attempt to engage in monetary transactions by, through or to a financial institution, affecting interstate commerce, in criminally derived property of a value

1 greater than \$10,000, such property having been derived from a specified unlawful activity, in violation
2 of Title 18, United States Code, Section 1957.

3 **Manner and Means of the Conspiracy**

4 2. It was part of the conspiracy that defendant ROSOFSKY, Michael Trap (charged
5 elsewhere) and others agreed to operate a telemarketing operation in San Marcos, California, in order
6 to sell loan modification services to homeowners who were delinquent on their monthly mortgage
7 payments.

8 3. It was further part of the conspiracy that defendant ROSOFSKY and Trap would run this
9 telemarketing operation out of an office located at 1780 La Costa Meadows Drive, San Marcos,
10 California, under the name of "Nations Housing Modification Center" or "Federal Housing Modification
11 Department" (hereinafter collectively referred to as "NHMC"). Defendant ROSOFSKY was in charge
12 of NHMC's sales and marketing, while Trap was responsible for NHMC's finances, bank accounts, and
13 the processing of customers' files.

14 4. It was further part of the conspiracy that defendant ROSOFSKY, Trap and other co-
15 conspirators would use false and fraudulent statements and representations to induce customers to pay
16 thousands of dollars to purchase loan modification services from NHMC.

17 5. It was further part of the conspiracy that defendant ROSOFSKY would cause other
18 persons to rent a post office box and office space in Washington, D.C., to give the false impression that
19 NHMC operated on Capitol Hill in Washington, D.C.

20 6. It was further part of the conspiracy that defendant ROSOFSKY, Trap and other co-
21 conspirators would use interstate wire communications between California and Florida to cause a
22 marking firm in Florida to prepare, address and mail solicitation letters to potential customers of
23 NHMC. Many of these solicitation letters falsely represented that:

- 24 a. NHMC had operations on "Capitol Hill" in Washington, D.C.; and
25 b. NHMC had "attorneys" and "forensic accountants" on staff to deal with the loss
26 mitigation departments of banks on behalf of NHMC's customers; and
27 c. NHMC had achieved an "extremely high success rate for homeowners that met
28 the Nations Home Affordable Modification Program guidelines."

1 7. It was further part of the conspiracy that defendant ROSOFSKY, Trap and other co-
2 conspirators would cause over 60,000 of these false and fraudulent solicitation letters to be sent by
3 United States mail in envelopes that deceptively bore a Capitol Hill return address and the seal of the
4 United States Capitol. These false letters went to homeowners throughout the country who were behind
5 on their mortgage payments, and encouraged them to call a toll-free number to purchase loan
6 modification services from NHMC.

7 8. It was further part of the conspiracy that defendant ROSOFSKY, Trap and other co-
8 conspirators would employ a staff of telemarketers at NHMC's offices in San Marcos to answer
9 telephone calls from potential customers who had received the fraudulent mailer. These telemarketers,
10 using a script drafted and provided by defendant ROSOFSKY and others, falsely represented to
11 prospective customers:

12 a. that NHMC had a loan modification group made up of attorneys and forensic
13 accountants, when in fact there were no attorneys or forensic accountants at NHMC;

14 b. that NHMC was extremely selective in accepting customers, and only accepted
15 about 25% of callers, when in fact NHMC accepted almost anyone who could pay the fee of \$2,500 to
16 \$3,000; and

17 c. that NHMC had a high success rate of modifying loans for its customers, when
18 in fact NHMC had very few "trial" modifications, and had not permanently modified any mortgage loan.

19 9. It was further part of the conspiracy that defendant ROSOFSKY and other co-
20 conspirators would cause NHMC's telemarketing staff to use these and other false representations to
21 convince more than 300 homeowners to pay between \$2,500 and \$3,000 for NHMC's loan modification
22 assistance.

23 10. It was further part of the conspiracy that defendant ROSOFSKY and Trap would cause
24 over \$900,000 in customer funds to be transferred to NHMC's bank accounts in the Southern District
25 of California by means of interstate wire transmissions.

26 11. It was further part of the conspiracy that defendant ROSOFSKY and Trap would cause
27 NHMC to falsely represent to customers that they could receive a refund, when in fact NHMC rarely
28 gave out refunds.

1 12. It was further part of the conspiracy that defendant ROSOFSKY and Trap would conduct
2 financial transactions with the customer funds transferred to NHMC's bank accounts in order to pay
3 expenses of the business and compensate themselves.

4 **Overt Acts**

5 13. On or about the dates set forth below, in the Southern District of California and
6 elsewhere, defendant ROSOFSKY and his co-conspirators committed and caused to be committed the
7 following overt acts in furtherance of the conspiracy and to achieve the objects thereof:

- 8 a. On or about April 2, 2009, Trap opened a bank account at Bank of
9 America located in the Southern District of California in the name of
10 "Federal Housing Modification Department."
- 11 b. On or about April 2, 2009, defendant ROSOFSKY caused another
12 person to open a post office box in the name of "Federal Housing
13 Modification Department" at a UPS Store located at 611 Pennsylvania
14 Avenue, SE, Washington, D.C.
- 15 c. On or about April 9, 2009, defendant ROSOFSKY sent an email from
16 California to a mass mailing firm in Florida that stated, in part, "I just
17 got the letter, and envelope I need to use. If they printed the 30k can
18 we add to it, or do we have to run another 30k. Call me when you get
19 in so we can figure it out. I am going to hire 70 people so lets get back
20 to the old days , and make it 10 times better. Thanks, Glenn."
- 21 d. In or about March or April 2009, defendant ROSOFSKY drafted a
22 false and misleading script to be used by NHMC telemarketers to
23 solicit potential customers.
- 24 e. On or about April 17, 2009, defendant ROSOFSKY sent an email
25 from California to a mass mailing company in Florida directing the
26 company to mail several thousand of the false and misleading mailers
27 from NHMC.
- 28

- 1 f. On or about April 27, 2009, defendant ROSOFSKY posted an
2 advertisement on the internet seeking telemarketers to work for
3 NHMC.
- 4 g. On or about May 19, 2009, defendant ROSOFSKY, Trap and other
5 co-conspirators caused \$1,500 to be withdrawn from the bank account
6 of victim E.B. located in Las Vegas, Nevada, and transferred to
7 NHMC's bank account in San Diego, California.
- 8 h. On or about May 21, 2009, defendant ROSOFSKY, Trap and other
9 co-conspirators caused \$2,500 to be withdrawn from the bank account
10 of victim L.B. located in Spokane, Washington, and transferred to
11 NHMC's bank account in San Diego, California.
- 12 I. On or about May 22, 2009, defendant ROSOFSKY, Trap and other
13 co-conspirators caused \$1,000 to be withdrawn from the bank account
14 of victim J.C. located in Bridgeport, Virginia, and transferred to
15 NHMC's bank account in San Diego, California.
- 16 j. On or about May 22, 2009, defendant ROSOFSKY and Trap caused
17 a check to be drawn on NHMC's bank account, payable to
18 ROSOFSKY, in the amount of \$12,754.
- 19 k. On or about May 26, 2009, defendant ROSOFSKY and Trap caused
20 a check to be drawn on NHMC's bank account, payable to
21 ROSOFSKY, in the amount of \$10,500.
- 22 l. On or about May 28, 2009, defendant ROSOFSKY, Trap and other
23 co-conspirators caused \$1,500 to be withdrawn from the bank account
24 of victim J.G. located in New Berlin, Wisconsin, and transferred to
25 NHMC's bank account in San Diego, California.
- 26 m. On or about May 28, 2009, Trap withdrew \$36,224 in cash from an
27 account in the name of Federal Housing Modification Department at
28

1 Bank of America, and purchased an official bank check in that same
2 amount.

3 n. On or about May 29, 2009, defendant ROSOFSKY and Trap caused
4 a mass marketing firm in Florida to send an email to NHMC in
5 California with account information for the company's bank account
6 at Wachovia Bank.

7 o. On or about May 29, 2009, Trap deposited the \$36,224 (previously
8 withdrawn from NHMC's account) into the Wachovia bank account
9 owned by a mass marketing firm.

10 p. On or about May 29, 2009, defendant ROSOFSKY sent an email to
11 the mass marketing firm in Florida advising that "we put cash in your
12 account this morning."

13 q. On or about June 1, 2009, defendant ROSOFSKY, Trap and other co-
14 conspirators caused \$1,250 to be withdrawn from the bank account of
15 victims W.C. and M.C. located in Tucson, Arizona, and transferred to
16 NHMC's bank account in San Diego, California.

17 r. On or about June 11, 2009, defendant ROSOFSKY, Trap and other
18 co-conspirators caused \$1,000 to be withdrawn from the bank account
19 of victim E.B. located in Las Vegas, Nevada, and transferred to
20 NHMC's bank account in San Diego, California.

21 s. On or about June 15, 2009, defendant ROSOFSKY, Trap and other
22 co-conspirators caused \$1,250 to be withdrawn from the bank account
23 of victim W.C. and M.C. located in Tucson, Arizona, and transferred
24 to NHMC's bank account in San Diego, California.

25 t. On or about June 15, 2009, defendant ROSOFSKY, Trap and other
26 co-conspirators caused \$1,500 to be withdrawn from the bank account
27 of victim J.C. located in Bridgeport, Virginia, and transferred to
28 NHMC's bank account in San Diego, California.

- 1 u. On or about June 15, 2009, defendant ROSOFSKY, Trap and other
- 2 co-conspirators caused \$1,500 to be withdrawn from the bank account
- 3 of victim J.G. located in New Berlin, Wisconsin, and transferred to
- 4 NHMC's bank account in San Diego, California.
- 5 v. On or about June 16, 2009, defendant ROSOFSKY, Trap and other
- 6 co-conspirators caused \$1,200 to be withdrawn from the bank account
- 7 of victim C.O. located in Washington, District of Columbia, and
- 8 transferred to NHMC's bank account in San Diego, California
- 9 w. On or about June 22, 2009, defendant ROSOFSKY and Trap caused
- 10 a check to be drawn on NHMC's bank account, payable to
- 11 ROSOFSKY, in the amount of \$30,000.
- 12 x. On or about June 29, 2009, defendant ROSOFSKY, Trap and other
- 13 co-conspirators caused \$800 to be withdrawn from the bank account
- 14 of victim C.O. located in Washington, District of Columbia, and
- 15 transferred to NHMC's bank account in San Diego, California
- 16 y. On or about July 9, 2009, defendant ROSOFSKY, Trap and other co-
- 17 conspirators caused \$3,000 to be withdrawn from the bank account of
- 18 victim P.M. located in Kenosha, Wisconsin, and transferred to
- 19 NHMC's bank account in San Diego, California.
- 20 z. On or about July 11, 2009, defendant ROSOFSKY, Trap and other co-
- 21 conspirators caused \$1,000 to be withdrawn from the bank account of
- 22 victim C.O. located in Washington, District of Columbia, and
- 23 transferred to NHMC's bank account in San Diego, California.
- 24 aa. On or about July 17, 2009, Trap deposited \$9,500 into newly-opened
- 25 bank account in the name of "Federal Housing Modification
- 26 Department" at Citibank in San Diego, California.
- 27 bb. On or about July 20, 2009, defendant ROSOFSKY, Trap and other co-
- 28 conspirators caused \$1,000 to be withdrawn from the bank account of

1 victim A.S. located in Virginia Beach, Virginia, and transferred to
2 NHMC's bank account in San Diego, California.

3 cc. On or about July 22, 2009, Trap deposited \$100,725 into NHMC's
4 bank account at Citibank, which funds consisted primarily of money
5 paid to NHMC by customers.

6 dd. On or about July 30, 2009, Trap withdrew \$70,000 from NHMC's
7 bank account at Citibank in the form of a cashier's check.

8 ee. On or about July 31, 2009, Trap deposited a \$70,000 cashier's check
9 into an account at San Diego County Credit Union, and immediately
10 transferred these funds into other accounts at the same institution in
11 the name of "Nations Processing Service, Inc."

12 ff. On or about August 3, 2009, Trap caused three checks totaling \$6,000
13 to be drawn on an account at San Diego County Credit Union to pay
14 NHMC employees.

15 gg. On or about August 3, 2009, defendant ROSOFSKY and Trap caused
16 a check payable to ROSOFSKY in the amount of \$10,000 to be drawn
17 on an account at San Diego County Credit Union.

18 hh. On or about August 5, 2009, Trap issued a check to himself in the
19 amount of \$5,000 from a San Diego County Credit Union account.

20 ii. On or about August 11, 2009, Trap caused a wire transfer in the
21 amount of \$22,500 to be sent from a San Diego County Credit Union
22 account to an account at Bank of America.

23 jj. On or about August 11, 2009, Trap purchased a cashier's check
24 payable to himself in the amount of \$5,000 from a San Diego County
25 Credit Union account.

26 All in violation of Title 18, United States Code, Section 371.

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Count 2

14. On or about May 29, 2009, in the Southern District of California, defendant GLENN STEVEN ROSOFSKY did knowingly engage and attempt to engage in a monetary transaction by through and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is, the deposit of \$36,244 into an account at Wachovia Bank, such property having been derived from specified unlawful activity, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Codes, Sections 1957 and 2.

Count 3

15. On or about June 11, 2007, within the Southern District of California, Defendant GLENN STEVEN ROSOFSKY, a resident of San Diego, California, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 (including a Schedule C entitled "Profit or Loss from Business") for the tax year 2006, which was verified by a written declaration that it was made under the penalties of perjury and which Defendant did not believe to be true and correct as to every material matter.

16. On or about June 19, 2007, Defendant GLENN STEVEN ROSOFSKY filed this Form 1040 for the tax year 2006 with the Internal Revenue Service in Fresno, California, which return falsely stated on Schedule C (Profit or Loss from Business), Line 1, that Defendant's gross receipts for 2006 were \$112,000, when in fact, as Defendant GLENN STEPHEN ROSOFSKY then and there well knew, the correct amount should have been at least \$350,358.

All in violation of Title 26, United States Code, Section 7206(1).

DATED: May 28, 2010.

KAREN P. HEWITT
United States Attorney



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